

**BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

DOCKET NO. 2005-54-C

In the Matter of the Joint Application of)
)
)

KMC TELECOM HOLDINGS, INC.,)
KMC TELECOM LLC, KMC TELECOM II LLC,)
KMC TELECOM III LLC,)
)

And)
)

TELCOVE, INC., TELCOVE OF SOUTH)
CAROLINA, INC.)
)

For Approval of a Transfer of Assets and)
Customer Base)
_____)

174315

DIRECT TESTIMONY OF MARVA BROWN JOHNSON

1 **Q. PLEASE STATE YOUR NAME FOR THE RECORD.**

2 A. My name is Marva Brown Johnson.

3 **Q. WHO IS YOUR EMPLOYER AND WHAT IS YOUR BUSINESS ADDRESS?**

4 A. I am employed by KMC Telecom Holdings, parent company of KMC Telecom III LLC
5 ("KMC III"), KMC Telecom V, Inc. ("KMC V"), and KMC Data LLC ("KMC Data").

6 My business address is 1755 North Brown Road, Lawrenceville, Georgia 30043.

7 **Q. WHAT IS YOUR JOB TITLE AND WHAT ARE YOUR RESPONSIBILITIES?**

8 A. I am Vice President and Senior Regulatory Counsel. I also hold the officer position of
9 Assistant Secretary.

10 **Q. PLEASE DESCRIBE YOUR POSITION AT KMC.**

1 A. I manage the organization that is responsible for federal regulatory and legislative
2 matters, state regulatory proceedings and complaints, and local rights-of-way issues.

3 **Q. PLEASE IDENTIFY ALL STATE COMMISSIONS TO WHICH YOU HAVE**
4 **SUBMITTED TESTIMONY.**

5 A. I have submitted testimony in proceedings before the following commissions: the
6 Alabama Public Service Commission; the North Carolina Utilities Commission; the
7 Florida Public Service Commission; the Georgia Public Service Commission; the
8 Louisiana Public Service Commission; the Public Service Commission of South
9 Carolina; the Mississippi Public Service Commission; the Kentucky Public Service
10 Commission; and the Tennessee Regulatory Authority.

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12 A. I am providing direct testimony on KMC's behalf in support of KMC and TelCove's joint
13 petition for approval for the transfer of KMC Telecom III, LLC's assets, including
14 KMC's 5ESS switching equipment, fiber, and customer base in the state of South
15 Carolina to TelCove. Specifically, in my testimony, I will describe why the asset transfer
16 is in the best interest of South Carolina consumers. I will also address the remaining
17 operations that will continue under the ownership of KMC Telecom Holdings, Inc. and
18 its certificated local exchange carrier subsidiaries KMC Telecom V, Inc. and KMC
19 Telecom Data, LLC.

20 **Q. HAVE YOU READ THE JOINT PETITION FILED IN THIS CAUSE?**

21 A. Yes.

22 **Q. ARE THE MATTERS AND THINGS SET FORTH THEREIN TRUE AND**
23 **CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?**

1 A. Yes, they are.

2 **Q. PLEASE DESCRIBE THE CORPORATE ORGANIZATIONAL STRUCTURE**
3 **RELEVANT TO THE CLEC ENTITIES OPERATED BY KMC TELECOM**
4 **HOLDINGS, INC.**

5 A. KMC Telecom Holdings, Inc. is the parent company of three certificated local exchange
6 carrier subsidiaries: KMC Telecom III, LLC, KMC Telecom V, Inc., and KMC Data
7 LLC.

8 **Q. HAVE KMC AND TELCOVE EXECUTED AN ASSET PURCHASE**
9 **AGREEMENT CONCERNING THE SALE AND TRANSFER OF CERTAIN**
10 **PLANT AND ASSETS OF KMC IN SOUTH CAROLINA TO TELCOVE?**

11 A. Yes, an Asset Purchase Agreement was executed by and between KMC and TelCove on
12 February 2, 2005.

13 **Q. WHICH KMC ASSETS ARE THE SUBJECT OF THE ASSET TRANSFER?**

14 A. Only the assets of KMC Telecom III, LLC are subject to the asset transfer. KMC
15 Telecom Holdings, Inc. will continue to own and operate KMC Telecom V, Inc. and
16 KMC Telecom Data LLC.

17 **Q. DOES THE ASSET PURCHASE AGREEMENT PROVIDE FOR THE SALE OF**
18 **ALL OF KMC TELECOM III, LLC'S CUSTOMERS, FIBER, AND SWITCHING**
19 **EQUIPMENT IN SOUTH CAROLINA TO TELCOVE.**

20 A. Yes, it does.

21 **Q. WILL KMC TELECOM III, LLC PROVIDE ANY SERVICES IN THE STATE**
22 **OF SOUTH CAROLINA SUBSEQUENT TO THE ASSET TRANSFER?**

23 A. No.

1 **Q. WHAT WILL KMC TELECOM III, LLC DO WITH ITS CERTIFICATE OF**
2 **CONVENIENCE AND PUBLIC NECESSITY SUBSEQUENT TO THE ASSET**
3 **TRANSFER?**

4 A. KMC Telecom III, LLC will surrender its certificate of public convenience and necessity
5 in South Carolina subsequent to the transfer of assets to TelCove.

6 **Q. WILL OTHER KMC ENTITIES PROVIDE SERVICE IN SOUTH CAROLINA**
7 **SUBSEQUENT TO THE ASSET TRANSFER?**

8 A. Yes, KMC Telecom V, Inc. and KMC Data LLC are not affected by this transaction.
9 Specifically, KMC Telecom V, Inc. and KMC Data LLC are wholesale communications
10 service providers offering traditional IP wholesale services to carriers and large
11 enterprises and these entities will continue to provide these wholesale services in the state
12 of South Carolina.

13 **Q. HAVE THE JOINT PETITIONERS GIVEN NOTICE OF THE SALE OF KMC**
14 **TELECOM III, LLC'S ASSETS TO TELCOVE TO ALL CUSTOMERS IN**
15 **SOUTH CAROLINA?**

16 A. Yes. Please see a copy of the notice as Joint Petitioner's Exhibit A.

17 **Q. WILL KMC CUSTOMERS BE ADVERSELY AFFECTED BY THEIR**
18 **TRANSFER TO TELCOVE?**

19 A. No, the notice states they "will continue to receive all of the same features, services,
20 rates, terms and conditions of service you enjoy today."

21 **Q: FOLLOWING THE TRANSFER OF CUSTOMERS TO TELCOVE, HOW WILL**
22 **CUSTOMER INQUIRES AND COMPLAINTS BE HANDLED?**

23 A: Customers will be given a 1-800 number for TelCove customer service. For customer

1 inquiries that relate to services provided or billed on or after the close date, TelCove
2 customer service representatives will address such inquiries. For customer inquiries that
3 relate to services provided or billed before the close date, TelCove customer service
4 representatives will either refer the customer to a 1-800 number provided by KMC for
5 customer inquiries or work cooperatively with KMC customer service representatives to
6 address the customer's needs. KMC Holdings, the parent company of KMC III, will
7 resolve all outstanding customer complaints that have been billed by or filed against
8 KMC III and that, as of the close date, have not been paid or resolved.

9 **Q. WILL THE PUBLIC INTEREST BE SERVED BY THE GRANTING OF THE**
10 **RELIEF REQUESTED?**

11 A. Yes, it will. Public interest concerns were also addressed in the Joint Petition filed in the
12 Cause. I feel very strongly that TelCove will continue the high quality service provided
13 by KMC.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

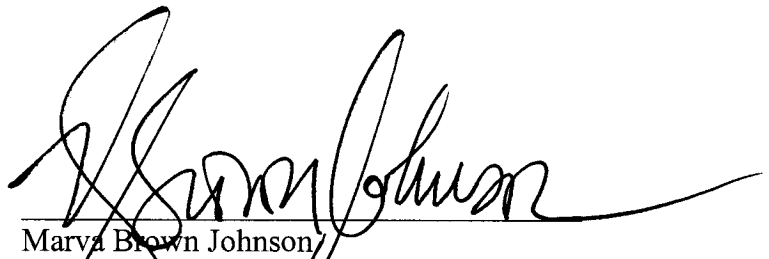
15 A. Yes, it does.

VERIFICATION

State of

County of

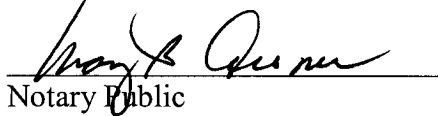
I, Marva Brown Johnson, Vice President and Senior Counsel for KMC Telecom Holdings, Inc., being duly sworn, depose and state that I have read the foregoing pre-filed testimony and know the contents therefore, and that said contents are true and correct to the best of my knowledge, information, and belief.



Marva Brown Johnson

Vice President and Senior Counsel
KMC Telecom Holdings, Inc.

Subscribed and sworn before me on this 1st day of June, 2005.


Notary Public

My Commission expires on:

MARY B AROMIN
Notary Public, State of New Jersey
My Commission Expires April 26, 2006